WESTERN AUSTRALIA

IRON ORE (McCAMEY'S MONSTER) AGREEMENT AUTHORIZATION AMENDMENT ACT

No. 45 of 1986

AN ACT to amend the *Iron Ore (McCamey's Monster) Agreement Authorization Act 1972.*

[*Assented to 1 August 1986*]

BE it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and the Legislative Assembly of Western Australia, in this present Parliament assembled, and by the authority of the same, as follows:—

Short title

1. This Act may be cited as the *Iron Ore (McCamey's Monster) Agreement Authorization Amendment Act 1986.*

Commencement

2. This Act shall come into operation on the day on which it is assented to by the Governor.

Principal Act

3. In this Act the *Iron Ore (McCamey's Monster) Agreement Authorization Act 1972** is referred to as the principal Act.

[**Act No. 104 of 1972.*]

Section 2 amended

4. Section 2 of the principal Act is amended by deleting "the Schedule to this Act" and substituting the following—

" Schedule 1 ".

Section 3 amended

5. Section 3 of the principal Act is amended by inserting after "thereto, the Agreement" the following—

" (in this Act called "the Principal Agreement") ".

Section 4 inserted

6. After section 3 of the principal Act the following section is inserted—

Variation Agreement

" 4. (1) The agreement (in this section called "the Variation Agreement"), a copy of which is set out in Schedule 2, is ratified and its implementation is authorized.

(2) Without limiting or otherwise affecting the application of the *Government Agreements Act 1979*, the Variation Agreement shall operate and take effect notwithstanding any other Act or law.

(3) Without limiting section 3, on the commencement of the *Iron Ore (McCamey's Monster) Agreement Authorization Amendment Act 1986* the Principal Agreement, as amended by the Variation Agreement, shall, subject to its provisions, operate and take effect as though those provisions were enacted in this Act. ".

Schedule amended

7. The Schedule to the principal Act is amended by deleting the heading thereto and substituting the following heading—

" Schedule 1 ".

Schedule 2 added

8. After Schedule 1 to the principal Act the following Schedule is added—

" SCHEDULE 2

THIS AGREEMENT is made the 14th day of July 1986

BETWEEN:

THE HONOURABLE BRIAN THOMAS BURKE, M.L.A., Premier of the State of Western Australia, acting for and on behalf of the said State and its instrumentalities from time to time (hereinafter called "the State") of the one part and

HANCOCK MINING LIMITED a company incorporated in Western Australia and having its registered office at 1st Floor, 49 Stirling Highway, Nedlands (hereinafter called "the Company") of the other part.

WHEREAS:

(a) the State of the one part entered into an agreement (hereinafter called "the Principal Agreement") dated 12th January, 1973 with CONSOLIDATED GOLD FIELDS AUSTRALIA LIMITED (hereinafter called "GCFA"), CYPRUS MINES CORPORATION (hereinafter called "Cyprus"), UTAH DEVELOPMENT COMPANY (now Utah Development Company Limited and hereinafter called "Utah"), HANCOCK PROSPECTING PTY. LTD. (hereinafter called "HPPL"), WRIGHT PROSPECTING PTY. LTD. (hereinafter called "WPPL"), and M.I.M. HOLDINGS LIMITED (hereinafter called "M.I.M.") of the other part the execution of which by the State was authorized pursuant to section 2 of the Iron Ore (McCamey's Monster) Agreement Authorization Act 1972;

(b) by Deed dated 12th February, 1980 Cyprus assigned all of its right, title and interest in and to the Principal Agreement to M.I.M.;

(c) by Deeds each dated 16th August, 1985 M.I.M. assigned all of its right, title and interest in and to the Principal Agreement to CGFA, Utah and HPPL and WPPL in the following proportions:

CGFA	38.5%
Utah	38.5%
HPPL and WPPL	23%;

(d) CGFA, Utah, HPPL and WPPL have with the consent of the State assigned all their right, title and interest in and to the Principal Agreement to the Company;

(e) the Company desires to recover and market (including by way of barter) iron ore from Temporary Reserve No. 4326H (being the lands now within the mining areas defined in the Principal Agreement) to inter alia Romania and the State and the Company have agreed to vary the Principal Agreement in manner hereinafter set out.

NOW THIS AGREEMENT WITNESSES.

1. Subject to the context the words and expressions used in this Agreement have the same meanings respectively as they have in and for the purpose of the Principal Agreement.

2. The provisions of this Agreement shall not come into operation until a Bill to approve and ratify this Agreement is passed by the Legislature of the said State and comes into operation as an Act.

3. The Principal Agreement is hereby varied as follows—

(1) By deleting in the statement of the names and addresses of the parties at the commencement of the Principal Agreement the following—

"(hereinafter called "the Joint Venturers" which expression shall where the context so admits or requires extend to include the Joint Venturers jointly and each of them severally their and each of their successors and permitted assigns and appointees)".

(2) Clause 1—

(a) (i) in the definition "associated company", by deleting "section 6 of the Companies Act 1961" and substituting the following—

"section 7 of the Companies (Western Australia) Code";

(ii) in the definition of "Commission", by deleting "State Electricity Commission" and substituting the following—

"State Energy Commission";

(iii) in the definition of "direct shipping ore", by inserting before "crushing" the following—

"washing";

(iv) in the definition of "fine ore", by inserting before "crushing" the following—

"washing";

(v) in the definition of "f.o.b. revenue"—

(A) by deleting "or sale which is payable by the purchaser thereof to the Joint Venturers or an associated company, less all export duties and export taxes payable on such iron ore products and less" and substituting the following—

"sale or other disposal which is payable by the purchaser or transferee thereof to the Joint Venturers or an associated company or, where there is no price paid for iron ore products the subject of any shipment or other disposal or where the Minister is not satisfied that the price amount value or other consideration payable in respect of iron ore products the subject of a shipment sale or other disposal represents a fair and reasonable market price or value therefor, such amount as is agreed between the Joint Venturers and the State or, failing agreement

within 3 months after lodgement of the relevant royalty return, as determined by the Minister, less where the iron ore products are shipped all export taxes payable on such iron ore products and less";

(B) in item (8) by deleting "and" where it last occurs;

(C) by deleting item (9) and inserting after item (8) the following—

"and less (whether the iron ore products are shipped or not) such other costs and charges as the Minister may in his discretion consider reasonable in respect of any shipment sale or other disposal.";

(D) in paragraph (a) by deleting "(9)" and substituting the following—

"(8)"

(E) by deleting paragraph (c);

(vi) in the definition of "mineral lease", by deleting "the mineral lease or mineral leases" and substituting the following—

"the mining lease for the mining of iron ore";

(vii) by deleting the definition of "mine townsite" and substituting the following definition—

" "mine townsite" means the town of Newman or a townsite established by the Joint Venturers on or near the mining areas if the Minister approves that the Joint Venturers may establish such a townsite in lieu of assimilation of their workforce into the town of Newman;";

(viii) by deleting the definitions of "Mining Act", "mining areas" and "Minister for Mines";

(ix) in the definition of "secondary processing", by deleting "crushing or screening" and substituting the following—

"washing crushing or screening or any combination thereof";

(b) by substituting for the plan marked "A" referred to the Principal Agreement, the plan marked "B" initialled by or on behalf of the parties hereto for the purpose of identification;

(c) by inserting, in their appropriate alphabetical positions, the following definitions—

" "Joint Venturers" means Hancock Mining Limited a company incorporated in the State of Western Australia and its successors, permitted assigns and appointees;

"Mining Act 1904" means the Mining Act 1904 and the amendments thereto and the regulations made thereunder as in force on 31st December, 1981;

"Mining Act 1978" means the Mining Act 1978;

"mining areas" means the area delineated and coloured red on the plan marked "B" initialled by or on behalf of the parties hereto for the purpose of identification and comprising Temporary Reserve No. 4326H;

"Minister for Minerals and Energy" means the Minister in the Government of the State for the time being responsible for the administration of the Mining Act 1904 and the Mining Act 1978;".

(3) Clause 2 subclause (1)—

(a) paragraph (c)—

by deleting "and";

(b) paragraph (d)—

(i) by inserting after "Act", where it first occurs, the following—

"other than the Mining Act 1904";

(ii) by deleting "thereunder." and substituting the following—

"thereunder;";

(c) by inserting after paragraph (d) the following paragraphs—

"(e) words in the singular number include the plural and words in the plural number include the singular;

(f) any covenant or agreement on the part of the Joint Venturers hereunder shall, if they be more than one, be deemed to be a joint and several covenant or agreement as the case may be.".

(4) Clause 3—

(a) by deleting the subclause designation (1);

(b) by deleting "Mining Act", wherever it occurs, and substituting the following—

"Mining Act 1904".

(5) Clause 5—

(a) by deleting "Mining Act", wherever it occurs, and substituting—

(i) in the first three instances where it occurs "Mining Act 1904"; and

(ii) in the last instance where it occurs "Mining Act 1978";

(b) by deleting paragraph (a);

(c) by deleting "Minister for Mines", wherever it occurs, and substituting the following—

"Minister for Minerals and Energy".

(6) Clause 7—

(a) subclause (1)—

by deleting "As soon as practicable after the completion of the investigations mentioned in Clause 6" and substituting the following—

"On or before 31st March, 1987 or such later date as the Minister may approve";

(b) subclause (2)—

(i) by deleting "Subject to the proposals or any alternative proposals as to the location and development of the port being approved the Joint Venturers shall on or before the fifth anniversary of the commencement date or on or before such later date as the Minister may approve or as may be determined by arbitration as hereinafter provided" and substituting the following—

"On or before 30th June, 1987 or such later date as the Minister may approve the Joint Venturers shall";

(ii) by inserting after "protection", where it first occurs, the following—

"and management";

(iii) paragraph (d)—

by inserting after "housing" the following—

"including, where the mine townsite is to be Newman, the provision of temporary accommodation on or near the mining areas for the Joint Venturers' workforce (but not their dependants) during the development phase of the mine";

(c) by inserting after subclause (2) the following subclause—

"(2a) The provisions of Clause 39 shall not apply to subclauses (1) and (2) of this Clause.".

(7) By inserting after Clause 9 the following clause—

"9A. (1) The Joint Venturers shall in respect of the measures for the protection and management of the environment and the matters referred to in paragraphs (j), (k) and (l) of subclause (2) of Clause 7 and which are the subject of approved proposals under this Agreement, carry out a continuous programme of investigation and research including monitoring and the study of sample areas to ascertain the effectiveness of the measures they are taking pursuant to such approved proposals for rehabilitation and the protection and management of the environment.

(2) The Joint Venturers shall during the currency of this Agreement at yearly intervals commencing from the date when the Joint Venturers' proposals are finally approved submit an interim report to the Minister concerning investigations and research carried out pursuant to subclause (1) of this Clause and at 3 yearly intervals commencing from such date submit a detailed report to the Minister on the result of the investigations and research during the previous 3 years.

(3) The Minister may within 2 months of the receipt of any detailed report pursuant to subclause (2) of this Clause notify the Joint Venturers that he requires additional detailed proposals to be submitted in respect of all or any of the matters the subject of the report and such other matters as the Minister may require.

(4) The Joint Venturers shall within 2 months of the receipt of a notice given pursuant to subclause (3) of this Clause submit to the Minister additional detailed proposals as required and the provisions of Clauses 7 and 8 where applicable shall *mutatis mutandis* apply in respect of such proposals.

(5) The Joint Venturers shall implement the decision of the Minister or an award made on arbitration as the case may be in accordance with the terms thereof.".

(8) Clause 10—

by inserting after paragraph (c) the following paragraph—

"(ca) if the Minister makes a decision as mentioned in paragraph (c) of subclause (1) of Clause 8 and the Joint Venturers fail within 2 months after receipt of the notice mentioned in subclause (2) of Clause 8 either to comply with the condition precedent or to elect to refer to arbitration the question of the reasonableness of the condition precedent; or".

(9) Clause 11—

(a) subclause (1)—

(i) by deleting "mineral lease", where it first occurs, and substituting the following—

"mining lease (the "mineral lease")";

(ii) by deleting paragraph (a);

(iii) by deleting in paragraph (f) "Mining Act" and substituting the following—

"Mining Act 1978";

(iv) by deleting in paragraph (f) "the labour conditions imposed by the said Act in respect of mineral leases" and substituting the following—

"the expenditure conditions imposed by the said Act in respect of mining leases";

(b) subclause (2)—

by deleting "Minister for Mines" and substituting the following—

"Minister for Minerals and Energy";

(c) subclause (6)—

(i) by deleting "register any claim or grant any lease or other mining tenement under the Mining Act" and substituting the following—

"grant any lease or other mining tenement under the Mining Act 1978";

(ii) by inserting at the end of the subclause the following—

"Upon the grant of any such lease or other mining tenement the land contained therein shall be deemed to be automatically excised from the mineral lease (with abatement of future rent in respect to the area excised).";

(d) by inserting after subclause (7) the following subclause—

"(8) the Joint Venturers shall not except where and to the extent that the Minister otherwise permits sell or otherwise dispose of iron ore products where the port of discharge thereof is within Japan, the Republic of Korea, the Federal Republic of Germany, the United Kingdom, France or Italy otherwise than for a consideration payable to the Joint Venturers in money.".

(10) By inserting after Clause 11 the following clause—

"12A. The State shall in accordance with the approved proposals cause to be made available lots of land in Newman for purchase by the Joint Venturers at prices to be fixed by the State (having regard to the price of similar lots then being made available by the State to others) which will include the cost to the State of developing and servicing such land including the provision of adjacent local head works in respect of water and sewerage.".

(11) Clause 13—

(a) subclause (1)—

(i) by deleting "such other leases of" and substituting the following—

"such other leases or where applicable licences easements or rights of way of or over";

(ii) by inserting after "Such leases" the following—

"licences easements and rights of way";

(b) subclause (2)—

(i) by deleting paragraph (a);

(ii) paragraph (c)—

(A) by deleting "either of paragraphs (a) or (b)" and substituting the following—

"paragraph (b)";

(B) by deleting "sold and shipped" and substituting the following—

"shipped sold used or produced".

(12) Clause 18—

(a) by deleting "four years" and substituting the following—

"two years";

(b) by deleting "at a cost of not less than sixty million dollars";

(c) by deleting "to commence shipment therefrom in commercial quantities at an annual rate of not less than one million tonnes" and substituting the following—

"to ship therefrom in commercial quantities at an annual rate of not less than three million tonnes";

(d) by deleting paragraph (a).

(13) Clause 19—

(a) by inserting after subclause (2) the following subclause—

"(2a) The Joint Venturers shall if and when required carry iron ore and iron ore products of third parties (being iron ore or iron ore products obtained from outside the mineral lease) over the said railway in accordance with arrangements (including provision for payment of charges by such third parties) to be entered into for the purpose of this subclause between the Joint Venturers and the State such arrangements unless the parties hereto otherwise agree to be similar in all material respects with any other arrangements for the carriage of iron ore or iron ore products of third parties made pursuant to any other agreement with the State relating to the mining of iron ore.";

(b) subclause (3)—

by inserting after "third parties" the following—

"(other than iron ore or iron ore products of third parties)";

(c) by inserting after subclause (3) the following subclause—

"(4) The Joint Venturers shall not enter into any agreement or other arrangement for the use of or the carriage of the iron ore products of the Joint Venturers over any railway not established by the Joint Venturers pursuant to this Agreement without the prior approval of the State thereto and to the proposed terms and conditions (including charges) for such use or carriage.".

(14) Clause 21—

(a) subclause (1)—

by inserting after "notice" the following—

"or such shorter period as the Minister may approve";

(b) by inserting after subclause (16) the following subclause—

"(17) The Joint Venturers shall design construct and operate all plant and equipment used in their operations under this Agreement so as to minimise water consumption and shall at all times use their best endeavours to minimise the consumption of water by themselves and their employees licensees and agents including the dependants of such persons within the areas of mining operations hereunder, at the mine town and elsewhere.".

(15) Clause 22—

(a) by deleting subclauses (1) and (2) and substituting the following subclauses—

"(1) For the purposes of facilitating integration of electricity generation and transmission facilities in areas where the Joint Venturers carry on operations under this Agreement, the Joint Venturers shall purchase electricity if available from the Commission or, negotiate with the Commission for the payment by the Joint Venturers of an equitable contribution towards the augmentation of the facilities of the Commission to enable it to supply electricity to the Joint Venturers. Electricity supplied to the Joint Venturers pursuant to this subclause shall be on terms and conditions to be negotiated between the Commission and the Joint Venturers.

(2) In the event of the Joint Venturers demonstrating to the satisfaction of the Minister that the provisions of subclause (1) would be unduly prejudicial to their operations, or if the Commission is unable to provide supply, the Joint Venturers may—

(a) in accordance with their approved proposals hereunder and subject to the provisions of the Electricity Act 1945 and the approval and requirements of the Commission, install and operate without cost to the State, at an appropriate location equipment to generate electricity of sufficient capacity for their operations hereunder;

(b) transmit power generated pursuant to paragraph (a) of this subclause to and within the areas of their mining operations and to the mine town or elsewhere subject to the provisions of the Electricity Act 1945 and the approval and requirements of the Commission;

(c) subject to the provisions of the Electricity Act 1945 and the requirements of the Commission sell power transmitted pursuant to paragraph (b) of this subclause to third parties within the areas of their mining operations and to third parties elsewhere; and

(d) the Joint Venturers shall be at liberty to negotiate with third parties for the augmentation of the facilities of such third parties to enable them to supply the Joint Venturers in lieu of the Joint Venturers providing electricity facilities pursuant to this subclause.

(2a) In the event that the Joint Venturers are unable to procure easements or other rights over land required for the purposes of subclause (2) of this Clause on reasonable terms the State shall assist the Joint Venturers to such extent as may be reasonably necessary to enable them to procure the said easements or other rights over land.";

(b) subclause (3)—

(i) by inserting after "facilities so acquired", where it first occurs, the following—

"at levels of supply from time to time agreed between the State and the Company";

(ii) by deleting "up to the normal continuous full load capacity of the electricity facilities so acquired" and substituting the following—

"at the said levels of supply";

(c) subclause (4)—

by deleting subclause (4) and substituting the following subclause—

"(4) In the event of the State acquiring the Joint Venturers' electricity facilities the Joint Venturers shall pay to the Commission the cost of all electricity supplied to the Joint Venturers by the Commission at rates to be agreed between the Commission and the Joint Venturers from time to time. Should the Joint Venturers desire to expand their operations hereunder and for that purpose require power beyond the level agreed pursuant to subclause (3) of this Clause the Joint Venturers shall give to the State 1 years notice of their additional power requirements and the State shall thereupon cause the Commission to negotiate with the Joint Venturers the terms and conditions under which the additional generation capacity required to meet the needs of such expansion is to be provided.";

(d) subclause (5)—

by deleting "at a price equal to the Joint Venturers' actual cost of generating and transmitting such electricity including, inter alia, appropriate capital charges" and substituting the following—

"on terms and conditions to be negotiated between the Commission and the Joint Venturers";

(e) by inserting after subclause (5) the following subclause—

"(6) If the Commission desires to purchase power for its own use and the Joint Venturers have the ability to supply such power the Joint Venturers shall use their best endeavours to supply on terms and conditions to be negotiated between the Commission and the Joint Venturers, and the Joint Venturers shall in that event be empowered to supply such power.".

(16) Clause 25—

(a) subclause (1)(a)—

by inserting in subparagraph (i) after "under this Agreement" the following—

"or connected wholly or partly with any railway operations carried on for or on behalf of the Joint Venturers";

(b) subclause (4)—

by inserting after "Joint Venturers' operations" the following—

"or connected wholly or partly with any railway or port operations carried on for or on behalf of the Joint Venturers".

(17) Clause 29—

by deleting Clause 29 and substituting the following clause—

"29. (1) The Joint Venturers shall, for the purposes of this Agreement—

(a) except in those cases where the Joint Venturers can demonstrate it is impracticable so to do, use labour available within the said State;

(b) as far as it is reasonable and economically practicable so to do use the services of engineers surveyors architects and other professional consultants, project managers manufacturers suppliers and contractors resident and available within the said State;

(c) when preparing specifications calling for tenders and letting contracts for works materials plant equipment and supplies ensure that Western Australian suppliers manufacturers and contractors are given fair and reasonable opportunity to tender or quote; and

(d) give proper consideration and where possible preference to Western Australian manufacturers suppliers and contractors when letting contracts or placing orders for works materials plant equipment and supplies where price quality delivery and service are equal to or better than that obtainable elsewhere.

(2) The Joint Venturers shall in every contract entered into with a third party for the supply of services labour works materials plant equipment and supplies for the purposes of this Agreement require as a condition thereof that such third party shall undertake the same obligations as are referred to in subclause (1) of this clause and shall report to the Joint Venturers concerning such third party's implementation of that condition.

(3) The Joint Venturers shall submit a report to the Minister at monthly intervals commencing from the 1st day of August, 1986 or such longer periods as the Minister may from time to time determine concerning their implementation of the provisions of this Clause and the performance of third parties in relation thereto pursuant to subclause (2) of this Clause together with a copy of any report received by the Joint Venturers pursuant to that subclause during that month.

(4) The provisions of this Clause shall not prevent the Joint Venturers from using plant equipment and materials or, with the prior approval of the Minister, services where such plant equipment materials or services are part of the purchase consideration for the sale of iron ore or iron ore products by the Joint Venturers.".

(18) Clause 31—

(a) subclause (1)—

by deleting paragraphs (a) to (g) inclusive and substituting the following paragraphs—

"(a) on iron ore products being direct shipping ore and fine ore and fines where such fine ore or fines are not sold or shipped separately as such—at the rate of 7½% of the f.o.b. revenue (computed at the rate of exchange prevailing on the date of receipt by the Joint Venturers of the purchase price of such iron ore products);

(b) on all other iron ore products—at the rate of 3¾% of the f.o.b. revenue (computed as mentioned in paragraph (a) of this subclause);

(c) notwithstanding the provisions of paragraphs (a) and (b) of this subclause where the manner of assessing royalty and/or the rates of royalty or any of them payable under this Agreement are substantially different from those payable to the State for like products by other producers of iron ore in the Pilbara region (being producers who in the opinion of the Minister are exporters of 60% or more of the total exports from time to time from the Pilbara region) the Minister may, after consultation with the Joint Venturers determine an alternative manner of assessing royalties and/or new rates of royalty under this Agreement consistent with those payable to the State for like products by such iron ore producers;";

(b) subclause (2)—

by deleting "the Minister" wherever it occurs and substituting the following—

"the Minister for Minerals and Energy";

(c) subclause (3)—

by deleting subclause (3) and substituting the following subclause—

"(3) (a) The Joint Venturers shall permit the Minister for Minerals and Energy or his nominee—

(i) at all reasonable times—

(A) to inspect all books, records, accounts and other documents of the Joint Venturers relative to the Joint Venturers operations hereunder and to any sale, use, shipment, transfer or other disposal of minerals, including sales contracts;

(B) to take and retain extracts and copies of books, records, accounts and other documents inspected under this subclause;

(C) to inspect, take stock of and value minerals in respect of which royalties are payable or, in the opinion of the Minister for Minerals and Energy, are likely to be payable; and

(D) to have access to the areas the subject of this Agreement and all other areas and facilities at which iron ore or iron ore products are stored or treated, to sample ore streams and to take and retain samples of iron ore and iron ore products for analysis; and

(ii) to obtain all information necessary to ascertain the quantity or value of minerals produced or obtained from a mining tenement or from land the subject of an application for a mining tenement and to determine the amount of royalty payable with respect to those minerals.

For the purposes of determining the value for royalty purposes in respect of any minerals hereunder the Joint Venturers shall take reasonable steps (either by the certificate of a competent independent party acceptable to the Minister for Minerals and Energy or otherwise to his reasonable satisfaction) to satisfy the State as to all relevant matters including weights assays and analyses and shall give due regard to any objection or representation made by the Minister for Minerals and Energy or his nominee as to any matter and/or any particular weight assay or analysis which may affect the amount of royalty payable hereunder. The information obtained by the Minister for Minerals and Energy or his nominee as a result of any such inspection shall by used for the purposes of verifying the amount of royalty payable by the Joint Venturers and for no other purpose and shall not be disclosed by the State the Minister for Minerals and Energy or his nominee to any other party for any other purpose.

(b) The Joint Venturers shall as and when required by the Minister for Minerals and Energy from time to time install and thereafter maintain in good working order and condition meters for measuring movements of iron ore products of such design or designs and at such places as the Minister for Minerals and Energy may require.".

(19) Clause 34—

subclause (3)—

by deleting subclause (3) and substituting the following subclause—

"(3) If such proposals are not submitted by the Joint Venturers to the Minister before the end of Year 20 or if such proposals are so submitted but are not approved by the Minister within two months after receipt thereof then if by the end of Year 23 (or extended date if any) the State gives to the Joint Venturers notice that some other company or party (hereinafter referred to as "the Fourth Party") has agreed to

establish an integrated iron and steel industry within the said State (using iron ore from the mineral lease) on terms not more favourable on the whole to the Fourth Party than those proposed by or available to the Joint Venturers hereunder then this Agreement shall cease and determine—

(i) if proposals by the Joint Venturers for a plant for secondary processing have previously been submitted to and approved by the Minister, at the end of Year 30 or at the date by which the Fourth Party has substantially established an integrated iron and steel industry whichever is the later; and

(ii) if proposals by the Joint Venturers for a plant for secondary processing have not previously been submitted to and approved by the Minister, at the date by which the Fourth Party has substantially established an integrated iron and steel industry.".

(20) Clause 39—

by deleting "This Agreement" and substituting the following—

"Subject to subclause (2a) of Clause 7 this Agreement".

(21) Clause 40 subclause (2)—

by inserting after "Clause", where it last occurs, the following—

"PROVIDED THAT the Minister may agree to release the Joint Venturers and any former parties to this Agreement and permitted assigns of those parties or any of them from such liability where he considers such release will not be contrary to the interests of the State".

(22) Clause 49—

by deleting "Arbitration Act, 1895" and substituting the following—

"Commercial Arbitration Act 1985".

(23) The Schedule is deleted and the following Schedule substituted—

"

THE SCHEDULE

WESTERN AUSTRALIA

MINING ACT 1978

IRON ORE (McCAMEY'S MONSTER)

AGREEMENT AUTHORIZATION ACT 1972

MINING LEASE

Mining Lease No.

The Minister for Minerals and Energy a corporation sole established by the Mining Act 1978 with power to grant leases of land for the purposes of mining in consideration of the rents hereinafter reserved and of the covenants on the part of the Lessee described in the First Schedule to this lease and of the conditions hereinafter contained and pursuant to the Mining Act 1978 (except as otherwise provided by the Agreement (hereinafter called "the Agreement") described in the Second Schedule to this lease) hereby leases to the Lessee the land more particularly delineated and described in the Third Schedule to this lease for iron ore subject however to the exceptions and reservations set out in the Fourth Schedule to this lease and to any other exceptions and reservations which subject to the Agreement are by the Mining Act 1978 and by any Act for the time being in force deemed to be contained herein to hold to the Lessee for a term of twenty one years commencing on the date set out in the Fifth Schedule to this lease with the right to renew the same as provided in but subject to the Agreement for further periods each of twenty one years (subject to sooner determination of the said term upon cessation or determination of the Agreement) upon and subject to such of the provisions of the Mining Act 1978 except as otherwise provided by the Agreement as are applicable to mining leases

granted thereunder and to the terms convenants and conditions set out in the Agreement and to the covenants and conditions herein contained or implied and any further conditions or stipulations set out in the Sixth Schedule to this lease the Lessee paying therefor the rents and royalties as provided in the Agreement PROVIDED ALWAYS that this lease is subject also to the following covenants and conditions that is to say—

(1) that the Lessee shall use the land bona fide exclusively for the purposes of the Agreement;

(2) subject to the provisions of the Agreement the Lessee shall observe perform and carry out the provisions of the Mines Regulation Act 1946; and

(3) that the Lessee shall if required by the Minister for Minerals and Energy supply information of a geological nature relating to the Lessee's operations on the land the subject of this lease

and PROVIDED FURTHER that this lease and any renewal thereof shall not be determined or forfeited otherwise than in accordance with the Agreement.

In this lease—

— "Lessee" includes the successors and permitted assigns of the Lessee and if the Lessee be more than one the respective successors and permitted assigns of each Lessee.

— If the Lessee be more than one the liability of the Lessee hereunder shall be joint and several.

— Reference to any Act includes all amendments to that Act for the time being in force and also any Act passed in substitution therefor or in lieu thereof and the regulations and by-laws for the time being in force thereunder.

FIRST SCHEDULE

HANCOCK MINING LIMITED a company incorporated in Western Australia and having its registered office at 1st Floor, 49 Stirling Highway, Nedlands.

SECOND SCHEDULE

The Agreement authorized by the Iron Ore (McCamey's Monster) Agreement Authorization Act 1972 including any amendments to that Agreement.

THIRD SCHEDULE

(Description of land)

Locality:

Mineral Field: Area, etc:

Being the land delineated on Original Plan(s) No. and recorded in

the Department of Mines, Perth.

FOURTH SCHEDULE

All petroleum as defined in the Petroleum Act 1967 on or below the surface of the land the subject of this lease is reserved to the Crown in right of the State of Western Australia with the right of the Crown in right of the State of Western Australia and any person lawfully claiming thereunder or otherwise authorized to do so to have access to the land the subject of this lease for the purpose of searching for and for the operations of obtaining petroleum (as so defined) in any part of the land.

FIFTH SCHEDULE

(Date of Commencement of the lease)

SIXTH SCHEDULE

(Any further conditions or stipulations)

In witness whereof the Minister for Minerals and Energy has affixed his seal and set his hand hereto this day of 19 .".

4. (1) The State shall exempt from any stamp duty which but for the operation of this Clause would or might be chargeable on—

(a) transfers of exploration licences in respect of the lands formerly within Temporary Reserves Nos. 4194H, 5004H and 5006H by CGFA, Utah, HPPL and WPPL to Renison Limited and Utah;

(b) the assignment of the Principal Agreement and the rights of occupancy in respect of the lands within Temporary Reserve No. 4236H by CGFA, Utah, HPPL and WPPL to the Company.

(2) If prior to the date on which the Bill referred to in Clause 2 of this Agreement to ratify this Agreement is passed as an Act stamp duty has been assessed and paid on any instrument or other document referred to in subclause (1) of this Clause the State when such Bill is passed as an Act shall on demand refund any stamp duty paid on any such instrument or other document to the person who paid the same.

IN WITNESS WHEREOF this Agreement has been executed by or on behalf of the parties hereto the day and year first hereinbefore written.

SIGNED by THE HONOURABLE BRIAN THOMAS BURKE, M.L.A. in the presence of: BRIAN BURKE

D. PARKER
MINISTER FOR MINERALS AND ENERGY

THE COMMON SEAL of HANCOCK MINING LIMITED was hereunto affixed by authority of the Director in the presence of: (C. S.)

Director L. G. HANCOCK

Secretary R. H. WOODLAND

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